REMARKS

On February 21, 2008, Applicants filed an Amendment in response to a Non-Final Office Action mailed from the USPTO on August 21, 2007. In the Amendment, claims 18, 27, 30, 32 and 33 were amended and new claims 34-41 were added.

Subsequently, Applicants received a Notice of Non-Compliant Amendment from the United States Patent and Trademark Office mailed from the USPTO on May 29, 2008. Applicants submit this paper in response to the Notice and respectfully request entry of the foregoing amendments to the claims that were previously submitted on February 21, 2008. The Listing of Claims now correctly identifies the status of claim 18 as "currently amended" instead of "previously presented." No other changes have been made.

Claims 18-33 stand rejected. Claims 18, 27, 30, 32 and 33 have been amended. Claims 34-41 have been added. No new matter has been added. The Applicants respectfully request reconsideration in view of the foregoing amendments.

Miscellaneous Amendments

Claims 27, 30 and 32 have been amended solely for the purpose of proper antecedent basis and clarity. No new matter is introduced.

Claim Rejections – 35 U.S.C. 103

Claims 18-33 were rejected under 35 U.S.C. 103(a) as being unpatentable over an online article "Telerate adds GovPX U.S. Treasury Prices and Information," published on February 8, 1999 by Business Wire (hereinafter "Telerate") in view of U.S. Patent Application Publication No. 2000/0044767 ("Madoff et al.").

Claim 18 as now amended recites a computer-implemented system for the automated trading of financial instruments. The system comprises, in part, a computer implemented system proprietor that automatically (i) receives a first order to execute a

first trade of a selected financial instrument at a first price determined from the real time price information of the market data feed; (ii) forwards the first order to a trading system to execute the first trade at the first price; (iii) receives a second order to execute a second trade of the selected financial instrument at a second price determined from the real time price information of the market data feed; (iv) identifies the second trade as an offsetting trade of the first trade of the selected financial instrument, wherein the offsetting trade is a trade of the selected financial instrument that is received within a predefined period of time after forwarding the first order to the trading system for execution; (v) determines a price improvement value based on the first price for the first trade of the selected financial instrument and the second price for the offsetting trade of the selected financial instrument; and (vi) applies the price improvement value to at least the first price for the first trade of the selected financial instrument, resulting in an adjusted first price for the first trade, prior to execution of the first trade at the trading system . Independent claim 33 as now amended also recites similar features. Support for these amendments can be found at least in FIG. 3 and in the subject specification as originally filed from page 10, line 18 to page 15, line 35.

Particular examples of the price improvement process can be found in the subject specification from page 14, line 18 to page 15, line 35. By way of illustration, in one example, "a first customer buys 10 bonds at 99-16. 15 seconds later, a second customer sells 10 at 99-08. The price improvement process takes the average of the 2 prices, and applies this to the first customer buy and the second customer sell so that each customer receives a price improvement of 1/8 of a point." (See page 14, lines 20-25). In another example, "a customer buys 10 bonds at 99-08. A trader, 15 seconds, later, buys 10 bonds at 99-08 from the street. In this instance, the system adjusts the customer buy trade to 10 at 99-08. (See page 15, lines 15-17).

Neither Telerate nor Madoff et al. teach or suggest the steps of, or structure for, (iv) identifying the second trade as an offsetting trade of the first trade of the selected financial instrument, wherein the offsetting trade is a trade of the selected financial

instrument that is received within a predefined period of time after forwarding the first order to the trading system for execution; (v) determining a price improvement value based on the first price for the first trade of the selected financial instrument and the second price for the offsetting trade of the selected financial instrument; and (vi) applying the price improvement value to at least the first price for the first trade of the selected financial instrument, resulting in an adjusted first price for the first trade, prior to execution of the first trade at the trading system, as now recited in claims 18 and 33.

In contrast, Telerate characterizes Telerate, Inc. as merely a vendor of financial information providing real-time benchmark U.S. Treasury information and price quote from other fixed income markets. (See Telerate generally). Telerate does not relate to determining and/or applying a price improvement value to trades at all.

Madoff et al. discuss a system for auctioning financial products that enables buyers/traders to place orders to buy and sell financial products and to respond to other buy and sell orders. Referring to FIG. 2, Madoff et al. mention that responses can be entered into the system by a buyer/trader in the form of a relative price, for example, a National Best Bid and Offer (NBBO) plus a price improvement value. (See Madoff et al.: FIG. 2; col. 5, line 26 to col. 6, line 27). In other words, the buyer/trader must manually enter the price improvement value into the system. Madoff et al. do not teach or suggest a system and method, as recited in claims 18 and 32, for automatically determining and applying a price improvement among trades that are identified as offsetting trades, i.e., trades that are made within a pre-defined time period for the same financial instrument.

For at least these reasons, claims 18 and 33 are patentable, as they are neither anticipated nor obvious in view of the cited art of record.

Furthermore, by virtue of at least their dependency upon claims 18 and 33 and the additional features recited therein, claims 19-32 are also patentable.

New Claims 34-41

Claims 34-41 have been added. No new matter is introduced. Entry is respectfully requested.

Specifically, claims 34 and 35 recite structure and steps for, respectively, (i) applying the price improvement value to the second price for the offsetting trade of the selected financial instrument, resulting in an adjusted second price for the second trade, and (ii) forwarding the second order to the trading system to execute the offsetting trade at the adjusted second price. Support for claims 34 and 35 can be found at least in FIG. 3 and in the subject specification as originally filed from page 13, lines 1-9; page 14, line 20-30; page 15, lines 5-13.

Claims 36 and 37 recite structure and steps for, respectively, determining price improvement value based on an average of the first price for the first trade of the selected financial instrument and the second price for the offsetting trade of the selected financial instrument. Support for claims 36 and 37 can be found at least in FIG. 3 and in the subject specification as originally filed from page 13, lines 1-9; page 14, line 20-30; page 15, lines 5-13.

Claims 38 and 39 recite structure and steps for, respectively, determining the price improvement value to make the adjusted first price for the first trade of the selected financial instrument equal to the second price for the offsetting trade of the selected financial instrument. Support for claims 38 and 39 can be found at least in FIG. 3 and in the subject specification as originally filed from page 15, lines 15-26.

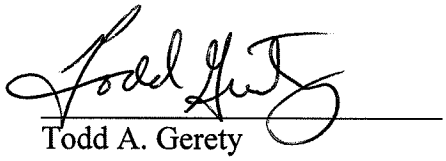
Claims 40 and 41 recite structure and steps for, respectively, in which the predefined period of time is between 15-30 seconds, inclusive. Support for claims 40 and 41 can be found at least in FIG. 3 and in the subject specification as originally filed from page 13, lines 1-9 and page 14, line 20 to page 15, line 35.

By virtue of at least their dependency upon claims 18 and 33 and the additional features recited therein, claims 34-41 are also patentable.

CONCLUSION

In view of the above amendments and remarks, it is believed that claims 18-41 are in condition for allowance, and it is respectfully requested that the application be passed to issue. If the Examiner feels that a telephone conference would expedite prosecution of this case, the Examiner is invited to call the undersigned.

Respectfully submitted,



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